

G-012/GR-92-22 ORDER REQUIRING FURTHER FILING AND DELAYING  
IMPLEMENTATION OF INTERIM RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm  
Tom Burton  
Cynthia A. Kitlinski  
Dee Knaak  
Norma McKanna

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of the Request of  
Western Gas Utilities, Inc. for  
Authority to Increase its Rates  
for Gas Service

ISSUE DATE: May 7, 1992

DOCKET NO. G-012/GR-92-22

ORDER REQUIRING FURTHER FILING  
AND DELAYING IMPLEMENTATION OF  
INTERIM RATES

**PROCEDURAL HISTORY**

On January 9, 1992, Western Gas Utilities, Inc. (Western or the Company) filed a petition seeking a general rate increase of \$303,782, or 13%, effective March 9, 1992. Western supplemented its filing on January 24, 1992.

On February 24, 1992, the Commission issued its ORDER ACCEPTING FILING AND SUSPENDING RATES. In that Order the Commission accepted the Company's rate case filing, with January 24, 1992 as the official filing date. The Commission also suspended Western's proposed rates. Finally, the Commission chose not to refer the matter for contested case proceedings because interested parties had indicated there was a likelihood the matter would be resolved without a contested case.

On March 6, 1992, the Commission issued its ORDER SETTING INTERIM RATES. In that Order the Commission set interim rates for the Company to come into effect on March 9, 1992. The Commission ordered the Department of Public Service (the Department) to file a report on the status of its investigation of this matter on or before March 31, 1992.

On March 24, 1992, Western filed a request that the effective date of interim rates be changed to March 16, 1992. The Company explained that the additional time would be necessary to respond to Department concerns regarding the accuracy of the Company's PGA filing and interim rates.

On March 31, 1992, the Department stated in a letter to the Commission that the Department had substantially finished its investigation and that the parties had reached agreement regarding nearly every financial issue in the rate case. The

Department asked that the Commission continue to refrain from referring the matter to the Office of Administrative Hearings while a complete settlement was pending.

On April 14, 1992, the Commission met to consider the requests filed by Western and the Department.

### **FINDINGS AND CONCLUSIONS**

The Commission finds that the requests submitted by the Company and the Department are reasonable and should be granted.

Western has requested a delay in the implementation of interim rates so that any questions regarding the PGA filing and its effect on interim rates can be resolved. Ratepayers will not be harmed by the delay; indeed, the delay will result in the loss of a week's interim revenue for the Company. It is sound public policy to resolve possible filing errors now, before interim rates are implemented and costly and confusing recalculations could be necessary.

The Department's attempt to settle rate case issues without resort to contested case proceedings is reasonable. In this case, the parties are working actively and cooperatively to resolve contested matters. The fact that substantial progress has been made shows the good faith of the parties and the effectiveness of their approach. As a safeguard, the Department has promised to notify the Commission immediately if settlement negotiations appear to have broken down.

Contested case proceedings are costly and time-consuming. While they are sometimes the only means of resolving issues, this is not the fact in this case. It is to the benefit of ratepayers, the Company and the general public to avoid the expense and delay of contested case proceedings if such proceedings are unnecessary.

The Commission will grant Western's request for a delay in implementation of interim rates. The Commission will also grant the Department's request for continued time to work toward settlement of the rate case. To enable the Commission to continue monitoring the progress of negotiations, the Commission will require the Department to file a progress report on or before May 8, 1992.

ORDER

1. Western's interim rates set under the Commission's March 6, 1992 Order in this docket shall be effective March 16, 1992.
2. On or before May 8, 1992, the Department shall file a report on the status of its investigation in this matter, including any progress of the parties toward settlement.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)